

~~United States~~

~~WASHINGTON, D.C. 20505~~

April 30, 1982

From: Charles H. Percy

Dear Bill:

I wonder if you ever had a chance to call Dave Stockman about Asia Foundation? Charlie Wick has indicated that he would be pleased to have it in the ICA budget and I feel confident that both the House and Senate Foreign Relations Committees will add funds for this important activity. I would like to have Dave Stockman understand its importance as well, however.

Attached is a copy of a cable I received from Ambassador Mike Mansfield, and my reply to him.

Warmest regards,



Honorable William J. Casey  
Director  
Central Intelligence Agency  
Washington, D. C. 20505

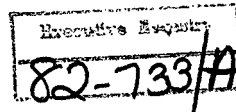
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State Dept. review completed.

7/1/82 9 AM

L304

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Central Intelligence Agency



Washington, D.C. 20505

13 May 1982

Honorable Charles H. Percy  
United States Senate  
Washington, D.C. 20510

Dear Senator Percy:

Thank you for your letter of 30 April concerning the Asia Foundation. Enclosed is a copy of my letter to David Stockman which supports the Department of State's efforts for additional funds for the Foundation.

Sincerely,

William J. Casey  
Director of Central Intelligence

Enclosure

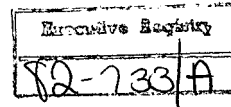
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L304

Central Intelligence Agency



Washington, D.C. 20505



OEXA 82-1308/A

Honorable Charles H. Percy  
United States Senate  
Washington, D.C. 20510

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Enclosure

Distribution:

Orig - Addressee

1 - DCI

1 - DDCI

1 - Executive Director

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LLD:CS:rjg (11 May 82)

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**EXECUTIVE SECRETARIAT****Routing Slip**

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9	Chm/NIC				
10	GC				
11	IG				
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13	D/EEO				
14	D/Pers				
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16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
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		SUSPENSE	cob 10 May		
			Date		

Remarks:

Per our conversation, please  
draft a response for the DCI's  
signature.

STAT

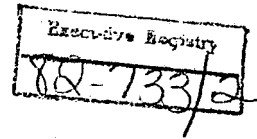
D/ Executive Secretary  
6 May 1982

Date

3307 (10-81)

United States Senate

WASHINGTON, D.C. 20510



April 30, 1982

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Central Intelligence Agency  
Washington, D. C. 20505

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PAGE 01  
ORIGIN H-01

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TO AMEMBASSY TOKYO IMMEDIATE  
INFO CINCPAC HONOLULU I IMMEDIATE 7717

UNCLAS STATE 105943

PASS TO AMBASSADOR MANSFIELD

E.O. 12065: N/A  
TAGS: JA  
SUBJECT: MESSAGE FROM SENATOR CHARLES H. PERCY,  
CHAIRMAN, SENATE FOREIGN RELATIONS COMMITTEE

REF: TOKYO 6304

FOLLOWING IS A MESSAGE FROM SENATOR PERCY TO AMBASSADOR  
MANSFIELD:

BEGIN TEXT

DEAR MIKE:

I APPRECIATE VERY MUCH YOUR MESSAGE OF THE 15TH  
CONCERNING THE CONTRIBUTION WHICH THE ASIA FOUNDATION  
MAKES TO OUR FOREIGN POLICY OBJECTIVES IN JAPAN. I  
COULDN'T AGREE WITH YOU MORE THAT THE FOUNDATION PLAYS A  
VITAL PART IN OUR FOREIGN POLICY AND I HAVE LONG HELD  
THIS VIEW.

THE ASIA FOUNDATION IS STRONGLY SUPPORTED BY SENATOR JOHN  
SHERMAN COOPER, AMBASSADOR PHIL HASIE, AMBASSADOR  
ELLSWORTH BUNKER, AMBASSADOR GEORGE MCGEE, AND STRONGLY  
SUPPORTED IN A RECENT REPORT BY THE STATE DEPARTMENT  
APPROVED AT THE HIGHEST LEVELS. BECAUSE ASIA  
FOUNDATION WAS NOT INCLUDED IN THE BUDGET, AN  
AMENDMENT WILL BE OFFERED BY CHAIRMAN AND RANKING  
MEMBER OF AREA SUBCOMMITTEE, SENATORS HAYAKAWA AND  
GLENN, COSPONSORED BY MYSELF, SENATORS PELL,  
MATHIAS, CRANSTON AND OTHERS ON THE COMMITTEE AND  
WILL BE SUPPORTED BY OUR COUNTERPARTS IN THE HOUSE.

I AM CONSIDERING ASKING FOR A POSSIBLE THREE-YEAR  
AUTHORIZATION TO ENSURE CONTINUITY AND TO REMOVE  
DOUBTS ABOUT THE FOUNDATION'S CONTINUED EXISTENCE,  
WITH THE UNDERSTANDING THAT HAYDEN WILLIAMS, THE  
PRESIDENT OF THE ASIA FOUNDATION, AND THE BOARD OF  
TRUSTEES WILL INTENSIFY THEIR EFFORTS TO RAISE  
SUBSTANTIALLY MORE PRIVATE CASH SUPPORT FROM  
AMERICAN AND ASIAN SOURCES TO HELP INSURE A STRONGER  
FUTURE PROGRAM. IN TESTIMONY YESTERDAY, CHARLES  
WICK, DIRECTOR OF ICA, WAS ENTHUSIASTIC ABOUT ASIA  
FOUNDATION. ONE POSSIBILITY IS TO ADD THE  
FOUNDATION AS A LINE ITEM IN HIS BUDGET.

WARMEST PERSONAL REGARDS TO YOU AND MAUREEN.

CHUCK PERCY.

END TEXT. HAIG

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PAGE 01  
ACTION EA-12

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TO SECSTATE WASHDC PRIORITY 0017

UNCLAS TOKYO 0630Z

FOR EA/J - AL SELIGMANN FROM AMBASSADOR

E.O. 120657 N/A  
TAGS: SCUL, JA  
SUBJECT: ASIA FOUNDATION

I WOULD BE GRATEFUL IF YOU WOULD PASS THE FOLLOWING  
PERSONAL MESSAGE FROM ME TO SENATORS PERCY, PELL AND  
CRANSTON:

"FOR MANY YEARS, I HAVE WATCHED THE ASIA FOUNDATION WITH  
ADMIRATION. ITS PRIVATE ACTIVITIES COMPLEMENTING PUBLIC  
EFFORTS TO IMPROVE UNDERSTANDING BETWEEN ASIA AND THE U.S.  
HAVE PROVED MOST VALUABLE. I AM ESPECIALLY IMPRESSED  
WITH THE PROJECTS BEING CARRIED OUT BY THE FOUNDATION  
HERE IN JAPAN, UNDER JIM STEWART'S SKILLFUL, EXPERIENCED  
LEADERSHIP. THE PROJECT UNDER WHICH JAPANESE COMMENTARIES  
ARE TRANSLATED AND DISTRIBUTED TO NUMEROUS AMERICAN  
NEWSPAPER EDITORS AND OTHERS IS PARTICULARLY USEFUL; AND  
THE STRENGTHENING OF AMERICAN STUDIES COLLECTIONS AT  
JAPANESE UNIVERSITY LIBRARIES COULD HAVE A MAJOR IMPACT  
ON THE LEVEL OF KNOWLEDGE ABOUT THE U.S. AMONG FUTURE  
JAPANESE LEADERS.

"I DO HOPE SOMETHING CAN BE DONE TO ASSURE THAT THE  
FOUNDATION WILL BE ABLE TO CONTINUE THIS KIND OF IMPORTANT  
WORK. WARMEST REGARDS, MIKE MANSFIELD."  
MANSFIELD



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**EXECUTIVE SECRETARIAT****Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
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19	C/IPD/OIS				
20	NIO/EA	X			
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SUSPENSE		26 March Date <i>JS</i>			

**Remarks:**

Please draft letter for DCI to send to D/OMB.

STAT

D/ Executive Secretary  
24 Mar 82

Date

3637 (10-81)

CENTRAL INTELLIGENCE AGENCY

OFFICE OF THE DIRECTOR

16 March 1982

NOTE FOR: D/ICS

FROM : Executive Secretary

John:

Any comments to DCI/DDCI?  
(Of course this is not part of  
the NFIP.)



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*Internal Suspense*  
*23 Mar 82*

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Next 3 Page(s) In Document Denied

S/S 8205561

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S/S 8205559

THE DEPUTY SECRETARY OF STATE  
WASHINGTON

March 11, 1983

Dear Mr. Stockman:

COPIES TO:

/S  
CA  
NEA  
EB  
HA  
M/COMP  
S/S-S:DIR  
TMC  
RF(JAB)

In 1980 the Congress decided that the State Department budget was a suitable place in which to provide for funding for The Asia Foundation (TAF). It has also made its position clear that TAF should be treated as a separate entity and not have to compete for funds with operations and programs of the State Department. TAF has not, however, been included in State's budget requests, and in 1981 and 1982 Congress took the initiative to include funds for TAF. In the 1982 budget report the State Department and TAF trustees were requested to provide a report to the Congress on whether and how TAF should be funded. An extensive review, which included obtaining the opinion of our Ambassadors in countries where TAF has programs, led the Department of State to the conclusion that TAF makes an invaluable contribution to U.S. foreign affairs objectives and that TAF has functions which could not be performed by a USG organization. It was found also that separate and additional funding was the most logical approach since TAF is a separate organization, not an operation of the Department of State. This position also has the advantage of coinciding with Congressional desires. Accordingly Judge Clark, then Deputy Secretary, approved that method of financing TAF on December 1 and a report to the Congress was prepared reflecting his decision. The report is herewith forwarded to OMB for its clearance together with a request for approval for a budget amendment to add to the FY 1983 State request of \$4.1 million for the Asia Foundation under the category "other."

As you are aware, to implement Judge Clark's decision, Mr. Kennedy requested funding for TAF on December 14. Mr. Schneider's reply was that \$4.1 million could be included for TAF "so long as these increases are offset by by equivalent budget authority and outlay reductions in the Department's 1983 budget allowance." The Department of State objects to this proviso on principle. At the time of shifting from AID to State funding, there was agreement that the AID ceiling would be lowered and the State ceiling would be raised by the amount

The Honorable  
David Stockman,  
Director,  
Office of Management and Budget.

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of funding for TAF which was transferred from one budget to the other. In preparing the 1981 budget submission, that agreement was not respected by OMB, thereby preventing an orderly establishment of a base for TAF funding. Congress has objected to this procedural barrier to funding for TAF, as it has shown by twice adding funds for TAF and by numerous letters to the Executive Branch.

We are requesting only \$4.1 million for TAF for 1983, the same nominal figure as in 1981 and 1982 -- in real terms an amount some 25% below the 1981 funding level, in large part reflecting TAF success in cutting administrative costs.

Our concern about handling TAF in a fashion which antagonizes the Congress goes well beyond the future of TAF itself. Other programs of much greater magnitude and importance than TAF such as aspects of the security and economic assistance budgets could suffer if the handling of TAF funding were to annoy key members of the Congress. In sum, further problems in regularizing support for TAF may entail such great costs for many of the President's programs that the small amount for The Asia Foundation would be insignificant in comparison.

We would appreciate your addressing the report and request for budget amendment expeditiously since the Department of State's budget hearings begin in mid-March.

Sincerely,



Walter J. Stoessel



## DEPARTMENT OF STATE

Washington, D.C. 20520

UNCLASSIFIEDMEMORANDUM FOR MR. WILLIAM P. CLARK  
THE WHITE HOUSE

Subject: The Asia Foundation: The Report to Congress

In its report on the Foreign Relations Authorization Act for fiscal year 1982 the Senate Foreign Relations Committee requested a joint report from the Department of State and the Trustees of the Asia Foundation (TAF) concerning the future of TAF. On December 1, as Deputy Secretary of State, you approved the continuation of USG support for The Asia Foundation through a separate authorization in the Department's budget earmarked for grant to TAF. This recommendation specified that funds so authorized would be separate from and in addition to other funds for the Department in 1983 and future years. A report incorporating the approved option was prepared and is being sent to OMB for clearance.

In implementation of the above decision, the Department requested OMB on December 14 to add a budget request of \$4.1 million for TAF as a separate appropriation for FY 1983. On December 30, OMB responded requiring offsetting reductions in other areas of the State budget, in effect rejecting the position you approved on separate funding. Given this position, it seems clear that OMB's initial inclination will be not to approve the report to the Congress nor the Department's request for a budget amendment for 1983 funds for TAF. There are three basic issues: advisability of funding The Asia Foundation, the method of funding TAF, and dangers of contention between the Administration and the Congress.

A. The Asia Foundation makes a very important and cost effective contribution to the State Department. All the Ambassadors in Asian countries where TAF has programs have

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underlined the high regard they have for TAP's activities. TAP is able to implement many programs which the USG finds highly desirable but could not have performed by any government agency. TAP's contributions are very large in comparison with the modest funds provided by the USG, which are supplemented by private contributions. This view of TAP, held by Ambassadors in the field and officials in State who have had the most knowledge of TAP's work, has not been openly disputed. Congressmen who have examined TAP share this opinion of TAP's contribution.

B. TAP is a separate organization and not an activity of the Department of State. While its activities very much support the political objectives of the Department, they are in areas such as public affairs, development and cultural exchanges which are not normally functions of the Department of State. It is therefore logical that TAP should be a separate item in the State budget with funds in addition to those provided for State's own operations. This is what was done in 1981 and 1982 when the funds were added to the State budget by Congressional initiatives. Congress, State and TAP trustees have this view of TAP funding, but OMB, in the name of budget discipline, wishes to have TAP compete against State operations and programs as a new item.

C. Congress has strongly backed funding for TAP and has insisted on separate and additional funding. Congressman Zablocki wrote: "It has been brought to my attention that decisions are currently pending which will affect the future of The Asia Foundation. The purpose of this letter is to express, in the strongest terms possible, my unqualified support for the continued funding of this modest program which is of inestimable value in promoting U.S. foreign policy objectives." (May 2, 1980 letter to then President Carter)

Senator Percy wrote: "It is my belief -- and I know that others in Congress share this view -- that The Asia Foundation was intended to be treated as a separate entity and not have to

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compete with other programs in the State Department for funding. I would, therefore, strongly urge your efforts to ensure that the Foundation is included in the FY 1982 budget submission." (Excerpt from a November 19, 1980 letter to then Secretary of State Muskie)

If OMB's position prevails, this will be the third fiscal year in a row that we have failed to respond to very clear Congressional intent. Continuing inability of the Executive Branch to be responsive to Congressional desires on this fairly minor matter in which only a modest sum is involved can only cause an unnecessary irritation in our relations with the Congress. We do not expect Congress to accept readily a report which points out the high opinion of TAF's contributions held by Ambassadors and other officials, but concludes that TAF should not be funded.

We are forwarding herewith a copy of the report for your information. I would appreciate your informing OMB that you endorse its conclusion that TAF makes an important contribution to the conduct of US foreign relations and its recommendation to the Congress that TAF be supported by separate and additional funding in the State budget.

L. Paul Bremer III  
Executive Secretary

Attachment: Joint Report to the Congress on Asia Foundation by the Department of State and the Trustees of the Asia Foundation. Letter to be signed by the Assistant Secretary of State for Congressional Relations

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